Munisipaliteit
Municipality
Umasipala

Swartland Municipality

Annual Report 2006-2007

"We build sustainable partnerships with all our stakeholders"
"Ons bou volhoubare vennootskappe met al ons rolspelers"

Table of Content

FOREWORD BY MAYOR 3
FOREWORD BY THE MUNICIPAL MANAGER 4
EXECUTIVE SUMMARY 5
CHAPTER 1: INTRODUCTION AND OVERVIEW 8
1.1 Introduction 8
1.2 Legal reference and purpose of the Annual Report 8
1.3 Geographic overview 10
1.4 Demographic Overview 11
1.5 Equitable Share and Indigent Policy 16
CHAPTER 2: PERFORMANCE HIGHLIGHTS 18
2.1 Introduction 18
2.2 Performance highlights 18
2.3 Level and Standard of Services 26
2.4 Backlogs in Service Delivery 31
2.5 Approval of subdivisions, rezonings and building plans 34
2.6 Free Basic Services 36
CHAPTER 3: HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT 38
3.1 Introduction 38
3.2 Staffing 38
3.3 Personnel Cost 42
3.4 Status of Pension Funds and Medial Aid Funds 44
3.5 Policies and Practices 45
3.6 Performance Management 48
3.7 Financial disclosures 50
CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION 53
CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING 55
5.1 Introduction 55
5.2 Overview of Integrated Development Plan 55

FOREWORD BY MAYOR

During the previous financial year, Swartland Municipality made a promise to provide value for money services for all the residents in the area. We have kept that promise during the 2006-2007 financial year.

With regard to our commitment to improved service delivery, our capital expenditure grew with approximately 400% since 2001. Although our spending has increased significantly, we are still experiencing service backlogs in our municipal area. Swartland residents can, however, rest assure that the municipality are actively pursuiing all avenues to adress these critical backlogs.

The Council views community participation as a cornerstone for development. We realize that without the support and inputs of our communities, our development initiatives may fail to address the root causes of some of our development challenges.

Despite all the developmental challenges that we experience, the municipal council is dedicated to ensuring stable local government. Stability on local government level should be treasured, as it allows for forward thinking, administrative efficiency and overall effective service delivery. We believe that an enabling environment is required to perform, and to perform well.

As our residents may be aware of, Swartland Municipality won the 2005-2006 National Vuna Award for the Key Performance Area Local Economic Development, as well as the first place in the national Cleanest Town 2006 Competition. These accolades are an example of our commitment to providing municipal services in a sustainable manner. During 2007, we have dedicated ourselves to improve on the previous year's performance, and we have achieved success by winning the National Vuna Award for 2007 for the best local authority in South Africa.

To conclude, Swartland Municipality will strive to uphold the principles of Batho Pele – People First. From the Swartland Municipal Council we would like to extend our gratitute to our communities, for allowing us the opportunity to serve.

_____

Councillor A.W. Bredell (Mayor)

FOREWORD BY THE MUNICIPAL MANAGER

The 2006-2007 financial has been an exciting year for the Municipality, and for the region as a whole. From a municipal perspective, we have improved our services to our residents through significant capital investment. Like we promised during the 2005-2006 financial year, we are continuously striving to deliver affordable, high quality services.

Winning the Vuna award for Best Category B municipality nationally was a highlight in terms of our achievements. Our success with the competition did not start when we submitted our application – it started in 2001 when Swartland Municipality was established. Dedicated officials at all levels of the organization made this award possible. Management realizes that our single most important resource still remains our staff, and we are committed to retaining and attracting quality personnel.

Since the inception of the Swartland Municipality, the organization has strived to improve services throughout the region. The municipality has spent approximately R 170 000 000 since 2001 on improving municipal infrastructure. Despite this enormous capital investment in our region, certain areas are still suffering due to poor service delivery, notably Ward 7. We realize that a cooperative effort will be required to address all the regional backlogs, and we are continually raising these, and other service delivery issues, on a district and provincial platform.

In conclusion, the municipality remains humble and aware of the fact that our achievements these past years were due to our Swartland public. We want to express our deepest thanks to all our ratepayers for ensuring that we remain a financially viable organization. We will honor our communities trust in us by providing high quality, effective services.

_____

J.J. Scholtz (Municipal Manager)

EXECUTIVE SUMMARY

The Annual Report reflects on the performance of the municipality during 2006/07 financial year. The report indicate the service delivery highlights, human resource and other institutional issues, the financial statements of the municipality as well as the services delivered by the organization. Central to the service delivery of the municipality, is our vision and mission. These statements capture the essence of the ethos of the municipality.

The vision of the Municipality is as follows:

"We build sustainable partnerships with all our people"

The Swartland Municipality vision is based upon the basic principles of sustainable development.

The Mission of the Swartland Municipality is as follows:

"We ensure social and economic stability and growth through the sustainable delivery of all primary and secondary services to all our interested parties"

During 2006/07, Swartland Municipality aspired to the following overall objectives:

- *To continuously and sustainable provide for the **housing needs** of the residents of the Swartland through timely planning while preserving the unique character;*
- *To provide the residents of the Swartland with a **sound economic basis** as well as a quality environment by **practicing sustainable planning** and thus promoting the creation of jobs and the expansion of tourism;*
- *To provide the residents of the Swartland with a **healthy and safe living environment** by the timely establishment of the necessary community facilities;*
- *To empower the residents of the Swartland by the **provision of and exposure to the necessary training facilities**, academic as well as practical;*
- *To support the residents of the Swartland with the **necessary sporting and recreation facilities** as well as to protect and preserve the natural environment in harmony with future town development*

SWARTLAND MUNICIPAL COUNCIL AND MANAGEMENT

CHAPTER 1
INTRODUCTION AND OVERVIEW

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 Introduction

The 2006-2007 Annual Report of the Swartland Municipality reflects on the performance of the municipality during the 2006-2007 financial year. The report aims to provide the reader with a glimpse into the activities of the municipality during the past year.

The report consists of the following chapters:

Chapter 1: Introduction and Overview

This chapter gives a brief description of the geography and demography of the municipal area, as well as the legal context of the annual report.

Chapter 2: Performance Highlights

This chapter focuses on the services rendered by the municipality, as well as the service innovation which took place during the year.

Chapter 3: Human Resource and other Organizational Management

This chapter focuses on critical human resource and organizational issues

Chapter 4: Audited Statements and Related Financial Information

This chapter contains the audited financial statements of the municipality and any municipal entity, the audit report of the Auditor-General for each financial statement and other disclosures required by legislation, either through direct reporting or notes to the accounts.

Chapter 5: Functional Area Service Delivery Reporting

This Chapter is intended to provide comprehensive information on each functional area provided by the municipality and the municipal entity. It includes an overview, description and detailed analysis of each function.

1.2 Legal reference and purpose of the Annual Report

The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121). These sections are indicated below.

EXTRACT FROM LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT

Annual reports

46. (1) A municipality must prepare for each financial year an annual report consisting of—

(a) a performance report reflecting—

(i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

(ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and

(iii) measures that were or are to be taken to improve performance;

(b) the financial statements for that financial year prepared in accordance with the standards of generally recognized accounting practice referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(c) an audit report on the financial statements and the report on the audit performed in terms of sec[ion 45(b); and 15

(d) any other reporting requirements in terms of other applicable legislation.

EXTRACT FROM LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT

Preparation and adoption of annual reports

121. (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

(2) The purpose of an annual report is -

(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

(3) The annual report of a municipality must include -

(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;

(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;

(d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;

(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;

(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year,

(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);

(h) any explanations that maybe necessary to clarify issues in connection with the financial statements;

(i) any information as determined by the municipality;

(j) any recommendations of the municipality's audit committee; and

(k) any other information as may be prescribed.

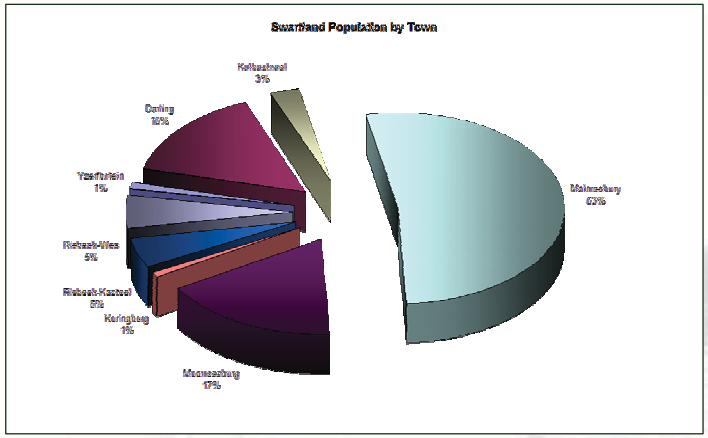
1.3 Geographic overview

The Swartland Municipal Area is situated 60 kilometers north of the Cape Metropole and consists of the following towns: Malmesbury, Darling, Yzerfontein, Moorreesburg, Koringberg, Riebeek West, Riebeek Kasteel, Abbotsdale, Kalbaskraal, Chatsworth and Riverlands. The N7 National Route winds through the municipal area, and a strong transport link exists between Malmesbury and Cape Town.

The area is approximately 3700 km² and approximately 100 kilometers (east to west) and 80kms (north to south). Malmesbury has been identified as one of the *Leader Towns* in the Western Cape Province, indicating a good growth potential. The Table below gives a brief description of the towns in the region. The table is based on the growth potential study which was undertaken by the University of Stellenbosch.

Town	Economic Base	Place Identity	Qualitative Growth potential	Quantitative Develop potential	Human Needs
Darling	Tourism/ Residential	Kaleidoscope of agriculture, arts and flowers	Low	Low	Low
Kalbaskraal (incl. Chatsworth and Riverlands)	Residential	Symbiotic metropolitan-rural lifestyle	Very low	Medium	Medium
Koringberg	Residential	Small Swartland village	Very low	Low	Medium
Malmesbury (incl. Abbotsdale)	Regional service centre	Bread basket of the Western Cape	High	High	Low
Moorreesburg	Agricultural service centre	Swartland wheat town	Medium	Medium	Low
Riebeek-Kasteel	Agri-tourism/ Residential	Cultural heritage and scenic environment	Low	Low	Low
Riebeek-Wes	Agricultural/ Mining	Cultural heritage and scenic environment	Low	Low	Low
Yzerfontein	Sea-tourism/ Residential	Coastal recreation	Medium	Low	Very low

1.4 Demographic Overview



POPULATION ESTIMATES

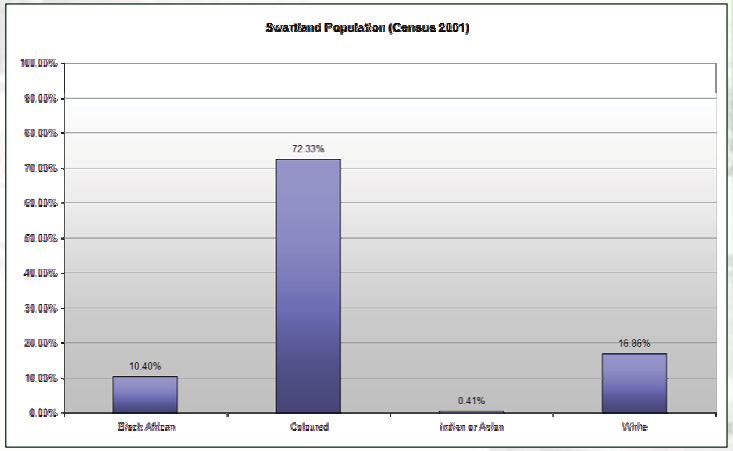
The Swartland Municipal area has approximately 84 000 residents. The majority of residents reside in Malmesbury which has approximately 25 000 – 30 000 residents (see Figure 1.4). The largest three towns in the area are:

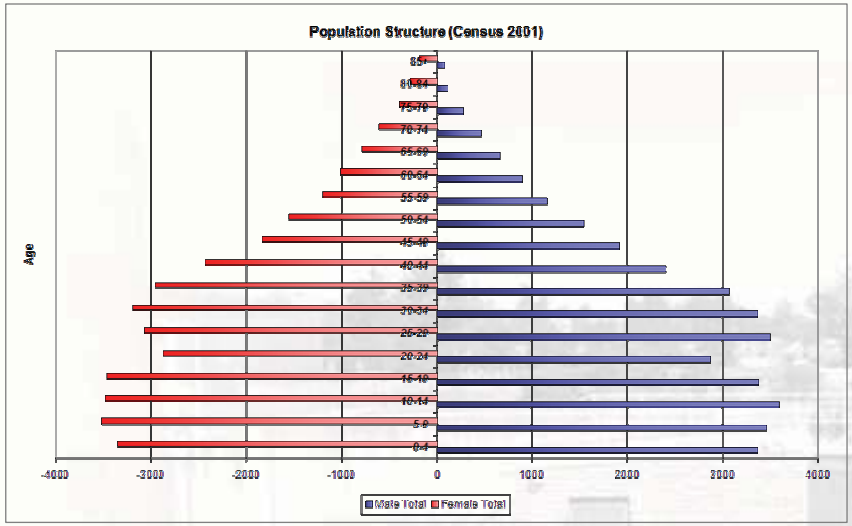
- Malmesbury (53% of the total population)
- Moorreesburg (17% of the total population)
- Darling (15% of the total population)

These 84 000 residents represent approximately 15 000 formal households which receive services from the municipality. Current investment trends indicate more growth in the southern towns in the municipal area. Malmesbury is expected to grow significantly within the coming 20 years, and it is expected that the town's share of the total population will increase significantly.

POPULATION COMPOSITION

The Coloured population is the largest in the region, and constitutes approximately 70% (see Figure 1.5) of the total population. It is expected that the Coloured population will increase at 3% per annum over the medium term. The Black African population constituted 10% in 2001, but it is expected that this segment of the population has increased significantly and that the trend will continue in the medium to long term (10% growth/annum is expected). The White population, which was approximately 16% of the total population during 2001, is expected to decrease over the medium to long term at a rate of -1.2% per annum.





POPULATION STRUCTURE

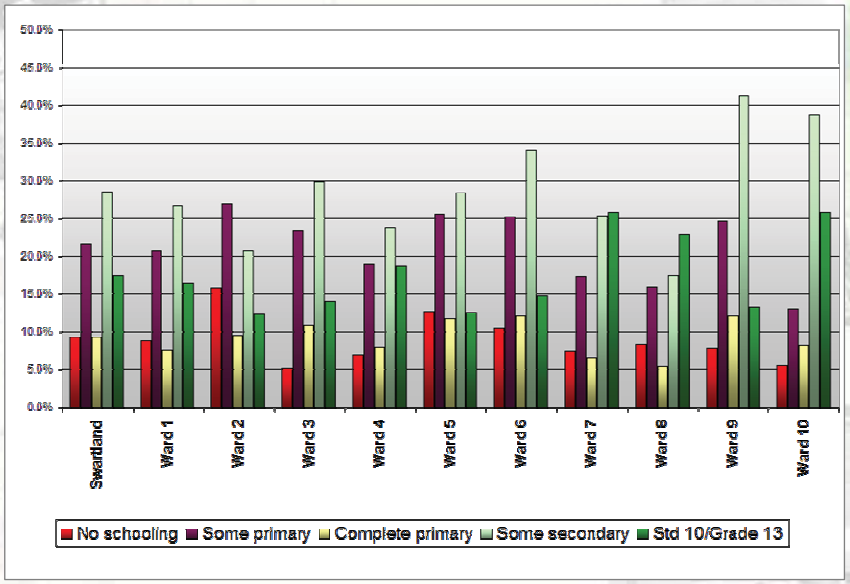
The population structure (Figure 1.6) of the area suggests the following:

- An fairly equal distribution between male and female
- Decrease in the natural growth of the population (the decline in the age cohort 0-4)
- An exodus from the area for the age cohort 20-24, possibly due to the lack of tertiary education facilities.
- An proportional increase of people aged 30-34 (more evident in males, which can suggest migrant workers)

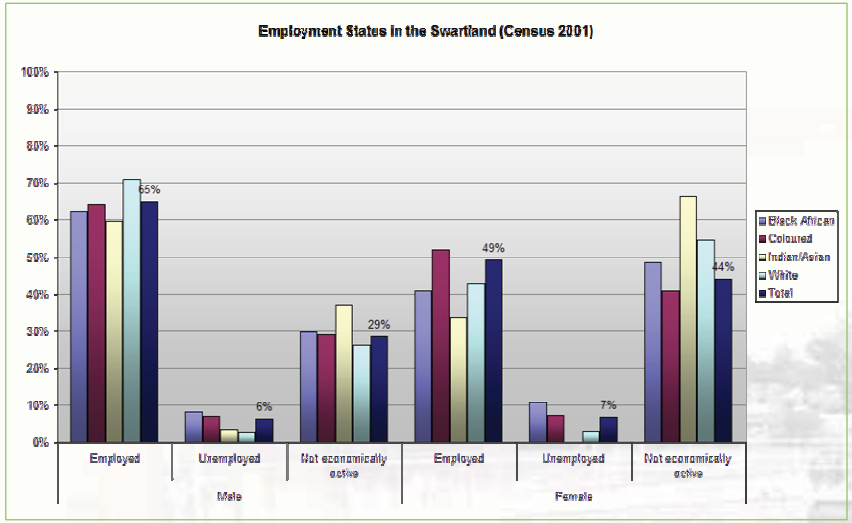
EDUCATION

As indicated in Figure 1.7, the area in general has a high level of unschooled residents (approximately 8%) and only 17% of all residents have completed Standard 10 (Grade 12). Ward 2 has the highest level of unschooled residents (15%) while Ward 10 has the best levels of education (more than 25% of the population has completed Standard 10/ Grade 12).

The relatively poor levels of education in the area are of concern as this has a negative impact on the development of the region.



EMPLOYMENT



The Swartland Municipal Area has fairly high levels of employment (65% of the total population is employed; 91% of the economically active population is employed). The employment ratio between different population groups shows minor differences, with the White population having the highest employement rate.

Marginal differences in employment status exist between males and females, although females have a significantly higher percentage classified as Not Economically Active.

The Swartland economy is mainly driven through agriculture, government, manufacturing and trade. Though tourism is not reflected in the table, evidence suggests that tourism has not been a major contributor to the economy. Tourism overlaps with a number of other sectors, such as trade, finance and services. The Swartland attracts only 2 percent of Western Cape domestic tourists, and possibly an equal percentage of foreign tourists. Tourism accounts for some 10 percent of GRP for municipalities in the Western Cape. This figure may be similar for Swartland. The discussion below focuses specifically on the sectors that are currently driving the economy, as well as those that hold the greatest potential to drive the Swartland economy in the future.

The following table indicates the sector contribution to the GRP (Gross Regional Product) for the Swartland Municipal Area.